

**Executive Summary – Enforcement Matter – Case No. 40691  
Devon Energy Production Company, L.P.  
RN105780613, RN105780712, RN105780746, RN105780837  
Docket No. 2010-1830-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

**Location(s) Where Violation(s) Occurred:**

Floyd Tank Battery, located off Cattle Drive, approximately 0.4 mile north of State Loop 338, south of Odessa, Ector County;

Aunt Bee Tank Battery, located on a private road, approximately two miles east of the intersection of State Highway 385 and State Loop 338, and 0.3 mile south of State Loop 338, south of Odessa, Ector County;

Helen Crump Tank Battery, located on a private road, approximately 1,600 feet south of State Highway 338 and 1,000 feet west of South Holloman Avenue, south of Odessa, Ector County; and

Thelma Lou-Otis Tank Battery, located adjacent to the west side of Crane Avenue, approximately 0.7 mile south of Interstate 20, south of Odessa, Ector County.

**Type of Operation:**

Tank batteries

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: The complainant has expressed an interest in this matter but does not wish to speak at Agenda.

**Texas Register Publication Date:** June 24, 2011

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$72,777

**Amount Deferred for Expedited Settlement:** \$14,554

**Amount Deferred for Financial Inability to Pay:** \$0

**Total Paid to General Revenue:** \$58,223

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**SEP Conditional Offset:** \$0

Name of SEP: N/A

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**Compliance History Classifications, Aunt Bee Tank Battery:**

Person/CN - Average

Site/RN - Average by Default

**Compliance History Classifications, Floyd Tank Battery:**

Person/CN - Average

Site/RN - High

**Compliance History Classifications, Helen Crump Tank Battery:**

Person/CN - Average

Site/RN - Average by Default

**Compliance History Classifications, Thelma Lou-Otis Tank Battery:**

Person/CN - Average

Site/RN - High

**Major Source:** Floyd Tank Battery, Helen Crump Tank Battery, Aunt Bee Tank Battery

**Minor Source:** Thelma Lou-Otis Tank Battery

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** September 2002

***Investigation Information***

**Complaint Date(s):** (See below)

**Complaint Information:** Floyd Tank Battery – September 24, 2010 and September 29, 2010 for raw gas odors; October 8, 2010 and October 14, 2010 for strong gas smells; October 10, 2010 for no flame on flare and noises from the storage tank.

Aunt Bee Tank Battery – September 13, 2010, strong odor and hissing noises.

**Date(s) of Investigation:** September 13, 2010 through October 27, 2010

**Date(s) of NOE(s):** October 15, 2010 and October 29, 2010

***Violation Information***

1. Failed to obtain permit authorization for the Floyd Tank Battery. Specifically, the Respondent exceeded the annual emission rate of 22.8 tons per year ("tpy") of volatile organic compounds ("VOC") emissions certified and registered under PBR Registration No. 91767, issued on February 24, 2010, by 43.3 tons of VOC; therefore, the Floyd Tank Battery cannot satisfy the conditions of the PBR for oil and gas production facilities [30 TEX. ADMIN. CODE § 116.110(a) and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b)].

2. Failed to submit an abbreviated application for a federal operating permit when the potential to emit ("PTE") exceeded 100 tpy of VOC at the Floyd Tank Battery. Specifically, in the PBR registration, the natural gas throughput was certified/represented as 120,000 standard cubic feet per day ("scf/day"). Throughput data from September and October 2010, showed throughput as high as 970,000 scf/day with an average of 800,000 scf/day. Based on this data, the PTE is approximately 152 tpy of VOC [30 TEX. ADMIN. CODE §§ 122.121 and 122.130(b)(1) and TEX. HEALTH & SAFETY CODE §§ 382.054 and 382.085(b)].

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3. Failed to prevent nuisance emissions on September 24, 2010 at the Floyd Tank Battery. Specifically, the Odessa Fire Department ("OFD") responded to a report of a natural gas leak at the Floyd Tank Battery, arriving at 6:36 a.m. on September 24, 2010. The OFD found a gas line venting, and the OFD's gas monitor showed a reading of 11% of the lower explosive limit [30 TEX. ADMIN. CODE § 101.4 and TEX. HEALTH & SAFETY CODE § 382.085(a) and(b)].
4. Failed to prevent nuisance odor emissions on September 29, 2010, at the Floyd Tank Battery. Specifically, TCEQ investigators responding to an odor complaint, observed visible emissions from the Enardo valve and tank hatch from one of the four tanks at the Floyd Tank Battery and confirmed a nuisance odor off-site and downwind of the tanks [30 TEX. ADMIN. CODE § 101.4 and TEX. HEALTH & SAFETY CODE § 382.085(a) and(b)].
5. Failed to obtain permit authorization for the Aunt Bee Tank Battery. Specifically, the Respondent exceeded the throughput rate for natural gas and the annual emission rate of 22.45 tpy of VOC certified and registered under PBR Registration No. 92134, issued April 8, 2010, by 9.85 tpy of VOC; therefore, the Aunt Bee Tank Battery cannot satisfy the conditions of the PBR for oil and gas production facilities [30 TEX. ADMIN. CODE § 116.110(a) and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b)].
6. Failed to submit an abbreviated application for a federal operating permit when the PTE exceeded 100 tpy of VOC at the Aunt Bee Tank Battery. Specifically, in the PBR registration, the natural gas throughput was certified/represented as 119,000 scf/day. Throughput data from September 2010 showed throughput at 650,000 scf/day. Based on this data, the PTE is approximately 122.63 tpy of VOC [30 TEX. ADMIN. CODE §§ 122.121 and 122.130(b)(1) and TEX. HEALTH & SAFETY CODE §§ 382.054 and 382.085(b)].
7. Failed to obtain permit authorization for the Helen Crump Tank Battery. Specifically, the Respondent exceeded the throughput rate for natural gas and the annual emission rate of 21.48 tpy of VOC certified and registered under PBR Registration No. 93540, issued October 20, 2010, by 8.22 tons of VOC; therefore, the Helen Crump Tank Battery cannot satisfy the conditions of the PBR for oil and gas production facilities [30 TEX. ADMIN. CODE § 116.110(a) and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b)].
8. Failed to submit an abbreviated application for a federal operating permit when the PTE exceeded 100 tpy of VOC at the Helen Crump Tank Battery. Specifically, in the PBR registration, the natural gas throughput was certified/represented as 122,000 scf/day. Throughput data from September 2010 showed throughput at up to 736,000 scf/day. Based on this data, the PTE is approximately 123.2 tpy of VOC [30 TEX. ADMIN. CODE §§ 122.121 and 122.130(b)(1) and TEX. HEALTH & SAFETY CODE §§ 382.054 and 382.085(b)].

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9. Failed to maintain all emission control equipment in good working order at the Thelma Lou-Otis Tank Battery. Specifically, on October 7, 2010, a Kimray diaphragm valve was found to be leaking by a TCEQ investigator [30 TEX. ADMIN. CODE § 106.4(c) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

1. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Floyd Tank Battery:
  - a. On September 24, 2010, installed a rental auto-ignite flare;
  - b. On September 25, 2010, repaired the line that was leaking on September 24, 2010 and modified procedures to open up wells in a more controlled fashion to prevent over pressuring and rupturing of poly lines from occurring;
  - c. On October 12, 2010, installed a high pressure vapor recovery unit ("VRU");
  - d. On November 17, 2010, submitted an application for a standard permit;
  - e. On November 23, 2010, installed a lease accounting custody transit ("LACT") metering system to replace tanker truck loading of oil with pipeline oil sales;
  - f. On December 17, 2010, installed a permanent auto-ignite flare;
  - g. On January 5, 2011, installed sales gas compression to allow separators to operate at a consistently low pressure with the gas being compressed into the sale line; and
  - h. On January 7, 2011, obtained Standard Permit Registration No. 94078.
2. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Aunt Bee Tank Battery:
  - a. On September 14, 2010, installed a rental auto-ignite flare;
  - b. On November 5, 2010, installed a high pressure VRU;
  - c. On November 23, 2010, installed a LACT metering system;
  - d. On November 29, 2010, submitted an application for a standard permit;
  - e. On December 14, 2010, installed a permanent auto-ignite flare;

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- f. On January 7, 2011, obtained Standard Permit Registration No. 94174; and
  - g. On January 11, 2011, installed sales gas compression.
3. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Helen Crump Tank Battery:
- a. On October 13, 2010, installed a rental auto-ignite flare;
  - b. On November 12, 2010, installed a high pressure VRU;
  - c. On November 29, 2010, submitted an application for a standard permit;
  - d. On December 2, 2010, installed sales gas compression;
  - e. On December 17, 2010, installed a permanent auto-ignite flare;
  - f. On January 10, 2011, installed a LACT metering system; and
  - g. On January 13, 2011, obtained Standard Permit Registration No. 94179.
4. The Executive Director recognizes that on October 8, 2010, the Respondent replaced the leaking valve at the Thelma Lou-Otis Tank Battery.

**Technical Requirements:**

The Order will require the Respondent to:

- a. Within 30 days, submit administratively complete permit applications to revise or amend the following standard permits to authorize vapor recovery vessels ("VRVs"), associated VRV sales compression, and auto-igniting flares to control storage tank VOC emissions and VRV sales gas compression emissions when the gas gathering company sales line pressures are excessive:
  - i. Standard Permit Registration No. 94078 for the Floyd Tank Battery;
  - ii. Standard Permit Registration No. 94174 for the Aunt Bee Tank Battery; and
  - iii. Standard Permit Registration No. 94179 for the Helen Crump Tank Battery.
- b. Submit the permit applications required by Ordering Provisions a.i. through a.iii.
- c. Respond completely and adequately, as determined by the Air Permits Division, to all letters requesting information concerning the following permit revisions/amendments within 30 days of the date of such letters, or by any other deadline specified in writing.

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d. Within 60 days of obtaining the permit revisions/amendments, install the VRVs and associated equipment at at the following:

- i. Floyd Tank Battery;
- ii. Aunt Bee Tank Battery; and
- iii. Helen Crump Tank Battery

e. Within 180 days, submit written certification to demonstrate compliance with Ordering Provisions a. and d. at the following:

- i. Floyd Tank Battery;
- ii. Aunt Bee Tank Battery; and
- iii. Helen Crump Tank Battery

***Litigation Information***

**Date Petition(s) Filed:** N/A  
**Date Answer(s) Filed:** N/A  
**SOAH Referral Date:** N/A  
**Hearing Date(s):** N/A  
**Settlement Date:** N/A

***Contact Information***

**TCEQ Attorney:** N/A  
**TCEQ Enforcement Coordinator:** Miriam Hall, Enforcement Division,  
Enforcement Team 4, MC 169, (512) 239-1044; Debra Barber, Enforcement Division,  
MC 219, (512) 239-0412  
**TCEQ SEP Coordinator:** N/A  
**Respondent:** Don DeCarlo, Senior Vice President – Western Division, Devon Energy  
Production Company, L.P., 20 North Broadway, Oklahoma City, Oklahoma 73102-8260  
Chuck Horsman, Manager Operations Engineering, Devon Energy Production  
Company, L.P., 20 North Broadway, Oklahoma City, Oklahoma 73102-8260  
**Respondent's Attorney:** N/A



# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

<b>DATES</b>	<b>Assigned</b> 18-Oct-2010	<b>Screening</b> 9-Nov-2010	<b>EPA Due</b> 12-Jul-2010
	<b>PCW</b> 16-Nov-2010		

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	Devon Energy Production Company, L.P.		
<b>Reg. Ent. Ref. No.</b>	RN105780613 - Aunt Bee Tank Battery		
<b>Facility/Site Region</b>	7-Midland	<b>Major/Minor Source</b>	Major

## CASE INFORMATION

<b>Enf./Case ID No.</b>	40691	<b>No. of Violations</b>	2
<b>Docket No.</b>	2010-1830-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Miriam Hall
		<b>EC's Team</b>	Enforcement Team 4
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$10,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>		<b>Subtotal 1</b>	\$20,000
<b>ADJUSTMENTS (+/-) TO SUBTOTAL 1</b>			
Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the Indicated percentage.			
<b>Compliance History</b>	0.0% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	\$0
<b>Notes</b>	The Respondent submitted one notice of intent to conduct an audit; however, because a reduction would be below zero, the enhancement defaults to zero.		
<b>Culpability</b>	No 0.0% Enhancement	<b>Subtotal 4</b>	\$0
<b>Notes</b>	The Respondent does not meet the culpability criteria.		
<b>Good Faith Effort to Comply Total Adjustments</b>		<b>Subtotal 5</b>	\$0
<b>Economic Benefit</b>	0.0% Enhancement*	<b>Subtotal 6</b>	\$0
Total EB Amounts	\$13,538		
Approx. Cost of Compliance	\$110,000	*Capped at the Total EB \$ Amount	
<b>SUM OF SUBTOTALS 1-7</b>		<b>Final Subtotal</b>	\$20,000
<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>		26.3% Adjustment	\$5,255
Reduces or enhances the Final Subtotal by the Indicated percentage.			
<b>Notes</b>	Enhancement for the estimated avoided cost for Violation No. 2.		
		<b>Final Penalty Amount</b>	\$25,255
<b>STATUTORY LIMIT ADJUSTMENT</b>		<b>Final Assessed Penalty</b>	\$25,255
<b>DEFERRAL</b>	20.0% Reduction	<b>Adjustment</b>	-\$5,051
Reduces the Final Assessed Penalty by the Indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)			
<b>Notes</b>	Deferral offered for expedited settlement.		
<b>PAYABLE PENALTY</b>			\$20,204

Screening Date 5-Nov-2010

Docket No. 2010-1830-AIR-E

PCW

Respondent Devon Energy Production Company, L.P.

Policy Revision 2 (September 2002)

Case ID No. 40691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105780613 - Aunt Bee Tank Battery

Media [Statute] Air

Enf. Coordinator Miriam Hall

## Compliance History Worksheet

## &gt;&gt; Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgements or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 0%

## &gt;&gt; Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

## &gt;&gt; Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

## &gt;&gt; Compliance History Summary

Compliance  
History  
Notes

The Respondent submitted one notice of intent to conduct an audit; however, because a reduction would be below zero, the enhancement defaults to zero.

Total Adjustment Percentage (Subtotals 2, 3, &amp; 7) 0%



Screening Date 5-Nov-2010

Docket No. 2010-1830-AIR-E

PCW

Respondent Devon Energy Production Company, L.P.

Policy Revision 2 (September 2002)

Case ID No. 40691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105780613 - Aunt Bee Tank Battery

Media [Statute] Air

Enf. Coordinator Miriam Hall

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.110(a) and Tex. Health &amp; Safety Code §§ 382.0518(a) and 382.085(b)

Violation Description

Failed to obtain permit authorization for the Aunt Bee Tank Battery. Specifically, the Respondent exceeded the throughput rate for natural gas and the annual emission rate of 22.45 tons per year ("tpy") of volatile organic compounds ("VOC") certified and registered under Permit by Rule ("PBR") Registration No. 92134, issued April 8, 2010, by 9.85 tons of VOC; therefore, the Aunt Bee Tank Battery cannot satisfy the conditions of the PBR for oil and gas production facilities.

Base Penalty \$10,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor
	X		

Percent 25%

Matrix Notes

The Respondent failed to comply with 100% of the rule requirement.

Adjustment \$7,500

\$2,500

## Violation Events

Number of Violation Events 7

211 Number of violation days

mark only one with an x

daily	
weekly	
monthly	X
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$17,500

Seven monthly events are recommended from the date the PBR Registration was issued (April 8, 2010) to the screening date (November 5, 2010).

## Good Faith Efforts to Comply

0.0% Reduction

\$0

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary

Ordinary

N/A

X (mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$17,500

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$8,283

Violation Final Penalty Total \$22,098

This violation Final Assessed Penalty (adjusted for limits) \$22,098

# Economic Benefit Worksheet

Respondent: Devon Energy Production Company, L.P.

Case ID No. 40691

Reg. Ent. Reference No. RN105780613 - Aunt Bee Tank Battery

Media: Air

Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

## Delayed Costs

Equipment	\$100,000	8-Apr-2010	30-May-2011	1.14	\$381	\$7,616	\$7,997
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs	\$5,000	8-Apr-2010	30-May-2011	1.14	\$286	n/a	\$286
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The estimated cost for emission control equipment and emission reduction projects including an auto-ignite flare, high-pressure screw vapor recovery unit, lease automatic custody transfer ("LACT") metering system, and sales gas compression system to qualify for a standard permit and the estimated cost for obtaining a standard permit. The "Date Required" is the date the PBR Registration was issued, and the "Final Date" is the estimated compliance date.

## Avoided Costs

### ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$105,000

TOTAL

\$8,283

Screening Date 5-Nov-2010

Docket No. 2010-1830-AIR-E

PCW

Respondent Devon Energy Production Company, L.P.

Policy Revision 2 (September 2002)

Case ID No. 40691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105780613 - Aunt Bee Tank Battery

Media [Statute] Air

Enf. Coordinator Miriam Hall

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 122.121 and 122.130(b)(1) and Tex. Health &amp; Safety Code §§ 382.054 and 382.085(b)

## Violation Description

Failed to submit an abbreviated application for a federal operating permit when the potential to emit ("PTE") exceeded 100 tpy of VOC. Specifically, in the PBR registration, the natural gas throughput was certified/represented as 119,000 standard cubic feet per day ("scf/day"). Throughput data from September 2010 showed throughput at 650,000 scf/day. Based on this data, the PTE is approximately 122.63 tpy of VOC.

Base Penalty \$10,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

	Major	Moderate	Minor
Release			
Actual			
Potential			

Percent 0%

## &gt;&gt; Programmatic Matrix

	Major	Moderate	Minor
Falsification			
	X		

Percent 25%

Matrix Notes

The Respondent failed to comply with 100% of the rule requirement.

Adjustment \$7,500

\$2,500

## Violation Events

Number of Violation Events 1

65 Number of violation days

mark only one  
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$2,500

One single event is recommended.

## Good Faith Efforts to Comply

0.0% Reduction

\$0

Extraordinary

Ordinary

N/A

Notes

Before NOV NOV to EDRP/Settlement Offer

X (mark with x)

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$2,500

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$5,255

Violation Final Penalty Total \$3,157

This violation Final Assessed Penalty (adjusted for limits) \$3,157

# Economic Benefit Worksheet

**Respondent:** Devon Energy Production Company, L.P.

**Case ID No.:** 40691

**Req. Ent. Reference No.:** RN105780613 - Aunt Bee Tank Battery

**Media:** Air

**Violation No.:** 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

## Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The economic benefit delayed costs for installing controls to reduce VOC emissions below 100 tpy are included in Violation 1.

## Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	\$5,000	1-Sep-2010	8-Oct-2010	1.02	\$255	\$5,000	\$5,255
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

The estimated cost of obtaining a federal operating permit. The "Date Required" is the date when the PTE for VOC was documented as exceeding 100 tpy. The "Final Date" is the last day of the investigation.

Approx. Cost of Compliance

\$5,000

**TOTAL**

\$5,255

## Compliance History

Customer/Respondent/Owner-Operator:	CN600132344	Devon Energy Production Company, L.P.	Classification: AVERAGE	Rating: 2.66
Regulated Entity:	RN105780813	AUNT BEE TANK BATTERY	Classification: AVERAGE BY DEFAULT	Site Rating: 3.01
ID Number(s):	AIR NEW SOURCE PERMITS		REGISTRATION	92134
	AIR NEW SOURCE PERMITS		REGISTRATION	94174
Location:	On private road, approximately two miles east of the intersection of State Highway 385 and State Loop 338, and 0.3 mile south of State Loop 338, south of Odessa, Ector County			
TCEQ Region:	REGION 07 - MIDLAND			
Date Compliance History Prepared:	December 01, 2010			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	December 01, 2005 to December 01, 2010			

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Miriam Hall Phone: (512) 239 - 1044

### Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? No
2. Has there been a (known) change in ownership/operator of the site during the compliance period? No
3. If Yes, who is the current owner/operator?  
N/A
4. If Yes, who was/were the prior owner(s)/operator(s)?  
N/A
5. When did the change(s) in owner or operator occur?  
N/A
6. Rating Date: 9/1/2010 Repeat Violator: NO

### Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgments, and consent decrees of the State of Texas and the federal government.  
N/A
- B. Any criminal convictions of the state of Texas and the federal government.  
N/A
- C. Chronic excessive emissions events.  
N/A
- D. The approval dates of investigations. (CCEDS Inv. Track. No.)  
N/A
- E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)  
N/A
- F. Environmental audits.  
Notice of Intent Date: 07/09/2009 (766915)  
No DOV Associated
- G. Type of environmental management systems (EMSs).  
N/A
- H. Voluntary on-site compliance assessment dates.  
N/A
- I. Participation in a voluntary pollution reduction program.  
N/A
- J. Early compliance.  
N/A
- Sites Outside of Texas  
N/A



# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

<b>DATES</b>	<b>Assigned</b>	1-Nov-2010	<b>Screening</b>	5-Nov-2010	<b>EPA Due</b>	25-Jul-2010
	<b>PCW</b>	16-Nov-2010				

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	Devon Energy Production Company, L.P.	
<b>Reg. Ent. Ref. No.</b>	RN105780746 - Helen Crump Tank Battery	
<b>Facility/Site Region</b>	7-Midland	<b>Major/Minor Source</b> Major

## CASE INFORMATION

<b>Enf./Case ID No.</b>	40691	<b>No. of Violations</b>	2
<b>Docket No.</b>	2010-1830-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Miriam Hall
		<b>EC's Team</b>	Enforcement Team 4
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$10,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$5,000
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## ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the Indicated percentage.

<b>Compliance History</b>	0.0% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	\$0
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Notes

The Respondent submitted one notice of intent to conduct an audit; however, because a reduction would be below zero, the enhancement defaults to zero.

<b>Culpability</b>	No	0.0% Enhancement	<b>Subtotal 4</b>	\$0
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Notes

The Respondent does not meet the culpability criteria.

<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	\$0
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<b>Economic Benefit</b>	0.0% Enhancement*	<b>Subtotal 6</b>	\$0
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Total EB Amounts	\$9,677
Approx. Cost of Compliance	\$110,000

\*Capped at the Total EB \$ Amount

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$5,000
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	105.4%	<b>Adjustment</b>	\$5,268
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Reduces or enhances the Final Subtotal by the Indicated percentage.

Notes

Enhancement for the estimated avoided cost for Violation No. 2.

<b>Final Penalty Amount</b>	\$10,268
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$10,268
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<b>DEFERRAL</b>	20.0% Reduction	<b>Adjustment</b>	-\$2,053
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	\$8,215
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Screening Date 5-Nov-2010

Docket No. 2010-1830-AIR-E

PCW

Respondent Devon Energy Production Company, L.P.

Policy Revision 2 (September 2002)

Case ID No. 40691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105780746 - Helen Crump Tank Battery

Media [Statute] Air

Enf. Coordinator Miriam Hall

## Compliance History Worksheet

## &gt;&gt; Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgements or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%

Please Enter Yes or No

Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 0%

## &gt;&gt; Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

## &gt;&gt; Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

## &gt;&gt; Compliance History Summary

Compliance  
History  
Notes

The Respondent submitted one notice of intent to conduct an audit, however, because a reduction would be below zero, the enhancement defaults to zero.

Total Adjustment Percentage (Subtotals 2, 3, &amp; 7) 0%

Screening Date: 5-Nov-2010

Docket No. 2010-1830-AIR-E

PCW

Respondent: Devon Energy Production Company, L.P.

Policy Revision 2 (September 2002)

Case ID No. 40691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105780746 - Helen Crump Tank Battery

Media [Statute]: Air

Enf. Coordinator: Miriam Hall

Violation Number: 1

Rule Cite(s): 30 Tex. Admin. Code § 116.110(a) and Tex. Health &amp; Safety Code §§ 382.0518(a) and 382.085(b)

## Violation Description

Failed to obtain permit authorization for the Helen Crump Tank Battery. Specifically, the Respondent exceeded the throughput rate for natural gas and annual emission rate of 21.48 tons per year ("tpy") of volatile organic compounds ("VOC") certified and registered under Permit by Rule ("PBR") Registration No. 93540, issued October 20, 2010, by 8.22 tons of VOC; therefore, the Helen Crump Tank Battery cannot satisfy the conditions of the PBR for oil and gas production

Base Penalty: \$10,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

	Harm		
Release	Major	Moderate	Minor
Actual			
Potential			

Percent: 0%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent: 25%

Matrix Notes

The Respondent failed to comply with 100% of the rule requirement.

Adjustment: \$7,500

\$2,500

## Violation Events

Number of Violation Events: 1 Number of violation days: 16

mark only one with an x

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty: \$2,500

One monthly event is recommended from the date the PBR Registration was issued (October 20, 2010) to the screening date (November 5, 2010).

## Good Faith Efforts to Comply

0.0% Reduction

\$0

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal: \$2,500

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount: \$4,410

Violation Final Penalty Total: \$5,134

This violation Final Assessed Penalty (adjusted for limits): \$5,134



# Economic Benefit Worksheet

Respondent: Devon Energy Production Company, L.P.

Case ID No. 40691

Reg. Ent. Reference No. RN105780746 - Helen Crump Tank Battery

Media: Air

Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost <small>No commas or \$</small>	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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## Delayed Costs

Equipment	\$100,000	20-Oct-2010	30-May-2011	0.61	\$203	\$4,055	\$4,258
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs	\$5,000	20-Oct-2010	30-May-2011	0.61	\$152	n/a	\$152
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The estimated cost for emission control equipment and emission reduction projects including an auto-ignite flare, high pressure screw vapor recovery unit, lease automatic custody transfer ("LACT") metering system, and sales gas compression system to qualify for a standard permit and the estimated cost for obtaining a standard permit. The "Date Required" is the date the PBR Registration was issued, and the "Final Date" is the estimated compliance date.

## Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$105,000

TOTAL

\$4,410

Screening Date 5-Nov-2010

Docket No. 2010-1830-AIR-E

PCW

Respondent Devon Energy Production Company, L.P.

Policy Revision 2 (September 2002)

Case ID No. 40691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105780746 - Helen Crump Tank Battery

Media [Statute] Air

Enf. Coordinator Miriam Hall

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 122.121 and 122.130(b)(1) and Tex. Health &amp; Safety Code §§ 382.054 and 382.085(b)

## Violation Description

Failed to submit an abbreviated application for a federal operating permit when the potential to emit ("PTE") exceeded 100 tpy of VOC. Specifically, in the PBR registration, the natural gas throughput was certified/represented as 122,000 standard cubic feet per day ("scf/day"). Throughput data from September 2010 showed throughput at up to 736,000 scf/day. Based on this data, the PTE is approximately 123.2 tpy of VOC.

Base Penalty \$10,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor
	X		

Percent 25%

Matrix Notes

The Respondent failed to comply with 100% of the rule requirement.

Adjustment \$7,500

\$2,500

## Violation Events

Number of Violation Events 1

65 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	X

Violation Base Penalty \$2,500

One single event is recommended.

## Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$2,500

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$5,268

Violation Final Penalty Total \$5,134

This violation Final Assessed Penalty (adjusted for limits) \$5,134

# Economic Benefit Worksheet

**Respondent** Devon Energy Production Company, L.P.

**Case ID No.** 40691

**Reg. Ent. Reference No.** RN105780746 - Helen Crump Tank Battery

**Media** Air

**Violation No.** 2

Percent Interest	Years of Depreciation
5.0	15

**Item Cost** **Date Required** **Final Date** **Yrs** **Interest Saved** **Onetime Costs** **EB Amount**  
**Item Description** No commas or \$

## Delayed Costs

Equipment			0.00	\$0	\$0	\$0
Buildings			0.00	\$0	\$0	\$0
Other (as needed)			0.00	\$0	\$0	\$0
Engineering/construction			0.00	\$0	\$0	\$0
Land			0.00	\$0	n/a	\$0
Record Keeping System			0.00	\$0	n/a	\$0
Training/Sampling			0.00	\$0	n/a	\$0
Remediation/Disposal			0.00	\$0	n/a	\$0
Permit Costs			0.00	\$0	n/a	\$0
Other (as needed)			0.00	\$0	n/a	\$0

**Notes for DELAYED costs**

The economic benefit delayed costs for installing controls to reduce VOC emissions below 100 tpy are included in Violation 1.

## Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal			0.00	\$0	\$0	\$0
Personnel			0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling			0.00	\$0	\$0	\$0
Supplies/equipment			0.00	\$0	\$0	\$0
Financial Assurance [2]			0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	\$5,000	1-Sep-2010	27-Oct-2010	1.07	\$268	\$5,000
Other (as needed)			0.00	\$0	\$0	\$0

**Notes for AVOIDED costs**

The estimated cost of obtaining a federal operating permit. The "Date Required" is when the PTE for VOC was documented as exceeding 100 tpy. The "Final Date" is the last day of the investigation.

**Approx. Cost of Compliance**

\$5,000

**TOTAL**

\$5,268

## Compliance History

Customer/Respondent/Owner-Operator:	CN600132344	Devon Energy Production Company, L.P.	Classification: AVERAGE	Rating: 2.66
Regulated Entity:	RN105780746	HELEN CRUMP TANK BATTERY	Classification: AVERAGE BY DEFAULT	Site Rating: 3.01
ID Number(s):	AIR NEW SOURCE PERMITS	REGISTRATION	94179	
	AIR NEW SOURCE PERMITS	REGISTRATION	93540	
Location:	On a private road approximately 1800 feet south of State Highway 338 and 1000 feet west of South Holloman Avenue, south of Odessa, Ector County			
TCEQ Region:	REGION 07 - MIDLAND			
Date Compliance History Prepared:	December 01, 2010			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	December 01, 2005 to December 01, 2010			

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Miriam Hall Phone: (512) 239 - 1044

### Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership/operator of the site during the compliance period? No
3. If Yes, who is the current owner/operator? N/A
4. If Yes, who was/were the prior owner(s)/operator(s)? N/A
5. When did the change(s) in owner or operator occur? N/A
6. Rating Date: 9/1/2010 Repeat Violator: NO

### Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgments, and consent decrees of the State of Texas and the federal government.  
N/A
- B. Any criminal convictions of the state of Texas and the federal government.  
N/A
- C. Chronic excessive emissions events.  
N/A
- D. The approval dates of investigations. (CCEDS Inv. Track. No.)  
1 10/29/2010 (870646)
- E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)  
N/A
- F. Environmental audits.  
Notice of Intent Date: 07/09/2009 (767085)  
No DOV Associated
- G. Type of environmental management systems (EMSs).  
N/A
- H. Voluntary on-site compliance assessment dates.  
N/A
- I. Participation in a voluntary pollution reduction program.  
N/A
- J. Early compliance.  
N/A

Sites Outside of Texas

N/A



# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

<b>DATES</b>	<b>Assigned</b>	1-Nov-2010	<b>Screening</b>	5-Nov-2010	<b>EPA Due</b>	12-Jul-2011
	<b>PCW</b>	16-Nov-2010				

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	Devon Energy Production Company, L.P.		
<b>Reg. Ent. Ref. No.</b>	RN105780712 - Floyd Tank Battery		
<b>Facility/Site Region</b>	7-Midland	<b>Major/Minor Source</b>	Major

## CASE INFORMATION

<b>Enf./Case ID No.</b>	40691	<b>No. of Violations</b>	4
<b>Docket No.</b>	2010-1830-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Miriam Hall
		<b>EC's Team</b>	Enforcement Team 4
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$10,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$32,500
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## ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

<b>Compliance History</b>	0.0% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	\$0
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Notes: The Respondent submitted one notice of Intent to conduct an audit and one disclosure of violations; however, because a reduction would be below zero, the enhancement defaults to zero.

<b>Culpability</b>	No	0.0% Enhancement	<b>Subtotal 4</b>	\$0
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Notes: The Respondent does not meet the culpability criteria.

<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	\$1,250
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<b>Economic Benefit</b>	0.0% Enhancement*	<b>Subtotal 6</b>	\$0
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Total EB Amounts \$14,391  
Approx. Cost of Compliance \$110,500

\*Capped at the Total EB \$ Amount

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$31,250
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	16.8%	<b>Adjustment</b>	\$5,254
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: Enhancement for the estimated avoided cost for Violation No. 2.

<b>Final Penalty Amount</b>	\$36,504
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$36,504
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<b>DEFERRAL</b>	20.0% Reduction	<b>Adjustment</b>	-\$7,300
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes: Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	\$29,204
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Screening Date 5-Nov-2010

Docket No. 2010-1830-AIR-E

PCW

Respondent Devon Energy Production Company, L.P.

Policy Revision 2 (September 2002)

Case ID No. 40691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105780712 - Floyd Tank Battery

Media [Statute] Air

Enf. Coordinator Miriam Hall

## Compliance History Worksheet

## &gt;&gt; Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgements or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	1	-2%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 0%

## &gt;&gt; Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

## &gt;&gt; Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

## &gt;&gt; Compliance History Summary

## Compliance History Notes

The Respondent submitted one notice of intent to conduct an audit and one disclosure of violations; however, because a reduction would be below zero, the enhancement defaults to zero.

Total Adjustment Percentage (Subtotals 2, 3, &amp; 7) 0%

Screening Date 5-Nov-2010

Docket No. 2010-1830-AIR-E

PCW

Respondent Devon Energy Production Company, L.P.

Policy Revision 2 (September 2002)

Case ID No. 40691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105780712 - Floyd Tank Battery

Media [Statute] Air

Enf. Coordinator Miriam Hall

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.110(a) and Tex. Health &amp; Safety Code §§ 382.0518(a) and 382.085(b)

Violation Description

Failed to obtain permit authorization for the Floyd Tank Battery. Specifically, the Respondent exceeded the annual emission rate of 22.8 tons per year ("tpy") of volatile organic compounds ("VOC") certified and registered under Permit by Rule ("PBR") Registration No. 91767, issued on February 24, 2010, by 43.3 tons of VOC; therefore, the Floyd Tank Battery cannot satisfy the conditions of the PBR for oil and gas production facilities.

Base Penalty \$10,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

## &gt;&gt; Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor
	X		

Percent 25%

Matrix Notes

The Respondent failed to comply with 100% of the rule requirement.

Adjustment \$7,500

\$2,500

## Violation Events

Number of Violation Events 9

254 Number of violation days

mark only one with an x

daily	
weekly	
monthly	X
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$22,500

Nine monthly events are recommended from the date the PBR Registration was issued (February 24, 2010) to the screening date (November 5, 2010).

## Good Faith Efforts to Comply

0.0% Reduction

\$0

Extraordinary

Ordinary

N/A

Notes

Before NOV NOV to EDPRP/Settlement Offer

X	(mark with x)

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$22,500

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$9,137

Violation Final Penalty Total \$26,283

This violation Final Assessed Penalty (adjusted for limits) \$26,283

# Economic Benefit Worksheet

Respondent: Devon Energy Production Company, L.P.  
Case ID No: 40691  
Reg. Ent. Reference No: RN105780712 - Floyd Tank Battery  
Media: Air  
Violation No: 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

## Delayed Costs

Equipment	\$100,000	24-Feb-2010	30-May-2011	1.26	\$420	\$8,402	\$8,822
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs	\$5,000	24-Feb-2010	30-May-2011	1.26	\$315	n/a	\$315
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The estimated cost for emission control equipment and emission reduction projects including an auto-ignite flare, high pressure screw vapor recovery unit, lease automatic custody transfer ("LACT") metering system, and sales gas compression system to qualify for a standard permit and the estimated cost for obtaining a standard permit. The "Date Required" is the date the PBR Registration was issued, and the "Final Date" is the estimated compliance date.

## Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$105,000

TOTAL

\$9,137



Screening Date 5-Nov-2010

Docket No. 2010-1830-AIR-E

PCW

Respondent Devon Energy Production Company, L.P.

Policy Revision 2 (September 2002)

Case ID No. 40691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105780712 - Floyd Tank Battery

Media [Statute] Air

Enf. Coordinator Miriam Hall

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 122.121 and 122.130(b)(1) and Tex. Health &amp; Safety Code §§ 382.054 and 382.085(b)

## Violation Description

Failed to submit an abbreviated application for a federal operating permit when the potential to emit ("PTE") exceeded 100 tpy of VOC. Specifically, in the PBR registration, the natural gas throughput was certified/represented as 120,000 standard cubic feet per day ("scf/day"). Throughput data from September and October 2010, showed throughput as high as 970,000 scf/day with an average of 800,000 scf/day. Based on this data, the PTE is approximately 152 tpy of VOC.

Base Penalty \$10,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor
	X		

Percent 25%

Matrix Notes

The Respondent failed to comply with 100% of the rule requirement.

Adjustment \$7,500

\$2,500

## Violation Events

Number of Violation Events 1

65 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$2,500

One single event is recommended.

## Good Faith Efforts to Comply

0.0% Reduction

\$0

Extraordinary

Before NOV NOV to EDPRP/Settlement Offer

Ordinary

N/A

X (mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$2,500

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$5,254

Violation Final Penalty Total \$2,920

This violation Final Assessed Penalty (adjusted for limits) \$2,920

# Economic Benefit Worksheet

**Respondent:** Devon Energy Production Company, L.P.

**Case ID No.:** 40691

**Req. Ent. Reference No.:** RN105780712 - Floyd Tank Battery

**Media:** Air

**Violation No.:** 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

## Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The economic benefit delayed costs for installing controls to reduce VOC emissions below 100 tpy are included in Violation 1.

## Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	\$5,000	1-Sep-2010	7-Oct-2010	1.02	\$254	\$5,000	\$5,254
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

The estimated cost of obtaining a federal operating permit. The "Date Required" is when the PTE for VOC was documented as exceeding 100 tpy. The "Final Date" is the last day of the investigation.

Approx. Cost of Compliance

\$5,000

**TOTAL**

\$5,254

Screening Date 5-Nov-2010

Docket No. 2010-1830-AIR-E

PCW

Respondent Devon Energy Production Company, L.P.

Policy Revision 2 (September 2002)

Case ID No. 40691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105780712 - Floyd Tank Battery

Media [Statute] Air

Enf. Coordinator Miriam Hall

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code § 101.4 and Tex. Health &amp; Safety Code § 382.085(a) and (b)

Violation Description

Failed to prevent nuisance emissions on September 24, 2010. Specifically, the Odessa Fire Department ("OFD") responded to a report of a natural gas leak at the Floyd Tank Battery, arriving at 6:36 a.m. on September 24, 2010. The OFD found a gas line venting, and the OFD's gas monitor showed a reading of 11% of the lower explosive limit.

Base Penalty \$10,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		x	
Potential			

Percent 50%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to significant emissions which do not exceed levels that are protective of human health or environmental receptors as a result of this violation.

Adjustment \$5,000

\$5,000

## Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$5,000

One single event is recommended for September 24, 2010.

## Good Faith Efforts to Comply

25.0% Reduction

\$1,250

Extraordinary

Before NOV NOV to EDPRP/Settlement Offer

Ordinary

N/A

Notes

x	
	(mark with x)

Corrective actions were completed on September 25, 2010, and the NOE was issued October 15, 2010.

Violation Subtotal \$3,750

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$4,380

This violation Final Assessed Penalty (adjusted for limits) \$4,380

# Economic Benefit Worksheet

**Respondent:** Devon Energy Production Company, L.P.  
**Case ID No.:** 40691  
**Reg. Ent. Reference No.:** RN105780712 - Floyd Tank Battery  
**Media:** Air  
**Violation No.:** 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

## Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$500	24-Sep-2010	25-Sep-2010	0.00	\$0	n/a	\$0

Notes for DELAYED costs

The estimated cost of repairing the line and modifying procedures to open up wells in a more controlled fashion to prevent over pressuring and rupturing of poly lines from occurring. The "Date Required" is the date of the violation, and the "Final Date" is the date corrective actions were completed.

## Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$500

**TOTAL**

\$0

Screening Date 5-Nov-2010

Docket No. 2010-1830-AIR-E

PCW

Respondent Devon Energy Production Company, L.P.

Policy Revision 2 (September 2002)

Case ID No. 40691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105780712 - Floyd Tank Battery

Media [Statute] Air

Enf. Coordinator Mirlam Hall

Violation Number 4

Rule Cite(s)

30 Tex. Admin. Code § 101.4 and Tex. Health &amp; Safety Code § 382.085(a) and(b)

## Violation Description

Failed to prevent nuisance odor emissions on September 29, 2010. Specifically, TCEQ investigators responding to an odor complaint, observed visible emissions from the Enardo valve and tank hatch from one of the four tanks at the Floyd Tank Battery and confirmed a nuisance odor off-site and downwind of the tanks.

Base Penalty \$10,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 25%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to insignificant emissions which do not exceed levels that are protective of human health or environmental receptors as a result of this violation.

Adjustment \$7,500

\$2,500

## Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one  
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$2,500

One single event is recommended for September 29, 2010.

## Good Faith Efforts to Comply

0.0%

Reduction

\$0

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary

Ordinary

N/A

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$2,500

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$2,920

This violation Final Assessed Penalty (adjusted for limits) \$2,920

# Economic Benefit Worksheet

Respondent: Devon Energy Production Company, L.P.

Case ID No. 40691

Reg. Ent. Reference No. RN105780712 - Floyd Tank Battery

Media Air

Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

## Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The economic benefit is included with Violation No. 1.

## Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

## Compliance History

Customer/Respondent/Owner-Operator:	CN600132344	Devon Energy Production Company, L.P.	Classification: AVERAGE	Rating: 2.66
Regulated Entity:	RN105780712	FLOYD TANK BATTERY	Classification: HIGH	Site Rating: 0.00
ID Number(s):	AIR NEW SOURCE PERMITS		REGISTRATION	91767
	AIR NEW SOURCE PERMITS		REGISTRATION	94078
Location:	OFF CATTLE DRIVE, APPROXIMATELY 0.4 MILE NORTH OF STATE LOOP 338, SOUTH OF ODESSA, ECTOR COUNTY			
TCEQ Region:	REGION 07 - MIDLAND			
Date Compliance History Prepared:	December 01, 2010			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	December 01, 2005 to December 01, 2010			

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Miriam Hall Phone: (512) 239 - 1044

### Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership/operator of the site during the compliance period? No
3. If Yes, who is the current owner/operator?  

N/A
4. If Yes, who was/were the prior owner(s)/operator(s)?  

N/A
5. When did the change(s) in owner or operator occur?  

N/A
6. Rating Date: 9/1/2010 Repeat Violator: NO

### Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgments, and consent decrees of the State of Texas and the federal government.  
N/A
- B. Any criminal convictions of the state of Texas and the federal government.  
N/A
- C. Chronic excessive emissions events.  
N/A
- D. The approval dates of investigations. (CCEDS Inv. Track. No.)  

1 07/14/2010 (841296)
- E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)  
N/A
- F. Environmental audits.  

Notice of Intent Date: 07/09/2009 (767024)  
Disclosure Date: 12/01/2009  
Viol. Classification: Moderate  
Citation: 30 TAC Chapter 106, SubChapter O 106.352  
30 TAC Chapter 106, SubChapter A 106.4  
Description: Failure to register for Permits by Rule (PBR).  
Disclosure Date: 06/01/2010  
Viol. Classification: Moderate  
Citation: 30 TAC Chapter 106, SubChapter O 106.352  
30 TAC Chapter 106, SubChapter A 106.4  
Description: Failure to register for Permits by Rule (PBR).
- G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A





# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

<b>DATES</b>	<b>Assigned</b>	1-Nov-2010	<b>Screening</b>	5-Nov-2010	<b>EPA Due</b>	
	<b>PCW</b>	16-Nov-2010				

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	Devon Energy Production Company, L.P.		
<b>Reg. Ent. Ref. No.</b>	RN105780837 - Thelma-Lou Otis Tank Battery		
<b>Facility/Site Region</b>	7-Midland	<b>Major/Minor Source</b>	Minor

## CASE INFORMATION

<b>Enf./Case ID No.</b>	40691	<b>No. of Violations</b>	1
<b>Docket No.</b>	2010-1830-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Miriam Hall
		<b>EC's Team</b>	Enforcement Team 4
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$10,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$1,000
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## ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

<b>Compliance History</b>	0.0% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	\$0
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Notes: The Respondent submitted one notice of intended audit and one disclosure of violations; however, because a reduction would be below zero, the enhancement defaults to zero.

<b>Culpability</b>	No	0.0% Enhancement	<b>Subtotal 4</b>	\$0
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Notes: The Respondent does not meet the culpability criteria.

<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	\$250
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<b>Economic Benefit</b>	0.0% Enhancement*	<b>Subtotal 6</b>	\$0
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Total EB Amounts \$5,415  
Approx. Cost of Compliance \$5,100  
\*Capped at the Total EB \$ Amount

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$750
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	0.0%	<b>Adjustment</b>	\$0
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Reduces or enhances the Final Subtotal by the Indicated percentage.

Notes:

<b>Final Penalty Amount</b>	\$750
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$750
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<b>DEFERRAL</b>	20.0% Reduction	<b>Adjustment</b>	-\$150
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Reduces the Final Assessed Penalty by the Indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	\$600
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Screening Date 5-Nov-2010

Docket No. 2010-1830-AIR-E

PCW

Respondent Devon Energy Production Company, L.P.

Policy Revision 2 (September 2002)

Case ID No. 40691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105780837 - Thelma Lou-Otis Tank Battery

Media [Statute] Air

Enf. Coordinator Miriam Hall

## Compliance History Worksheet

## &gt;&gt; Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgements or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	1	-2%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 0%

## &gt;&gt; Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

## &gt;&gt; Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

## &gt;&gt; Compliance History Summary

Compliance  
History  
Notes

The Respondent submitted one notice of intended audit and one disclosure of violations; however, because a reduction would be below zero, the enhancement defaults to zero.

Total Adjustment Percentage (Subtotals 2, 3, &amp; 7) 0%

Screening Date 5-Nov-2010

Docket No. 2010-1830-AIR-E

PCW

Respondent Devon Energy Production Company, L.P.

Policy Revision 2 (September 2002)

Case ID No. 40691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105780837 - Thelma Lou-Otis Tank Battery

Media [Statute] Air

Enf. Coordinator Mirlam Hall

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code § 106.4(c) and Tex. Health &amp; Safety Code § 382.085(b)

Violation Description

Failed to maintain all emission control equipment in good working order.  
Specifically, on October 7, 2010, a Kimray diaphragm valve was found to be leaking by a TCEQ investigator.

Base Penalty \$10,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 10%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment have been exposed to insignificant emissions which do not exceed levels that are protective of human health or environmental receptors as a result of this violation.

Adjustment \$9,000

\$1,000

## Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$1,000

One quarterly event is recommended.

## Good Faith Efforts to Comply

25.0% Reduction

\$250

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes

The valve was replaced on October 8, 2010, and the NOE was issued on October 15, 2010.

Violation Subtotal \$750

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$750

This violation Final Assessed Penalty (adjusted for limits) \$750

# Economic Benefit Worksheet

**Respondent** Devon Energy Production Company, L.P.  
**Case ID No.** 40691  
**Reg. Ent. Reference No.** RN105780837 - Thelma Lou-Otis Tank Battery  
**Media** Air  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

## Delayed Costs

Equipment	\$100	7-Oct-2010	8-Oct-2010	0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The estimated cost for replacing the valve from the date found leaking to compliance date.

## Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$100

TOTAL

\$0

## Compliance History

Customer/Respondent/Owner-Operator:	CN600132344	Devon Energy Production Company, L.P.	Classification: AVERAGE	Rating: 2.66
Regulated Entity:	RN105780837	THELMA LOU-OTIS TANK BATTERY	Classification: HIGH	Site Rating: 0.00
ID Number(s):	AIR NEW SOURCE PERMITS		REGISTRATION	92113
Location:	ADJACENT TO THE WEST SIDE OF CRANE AVENUE, APPROXIMATELY 0.7 MILE SOUTH OF INTERSTATE 20, SOUTH OF ODESSA, ECTOR COUNTY			
TCEQ Region:	REGION 07 - MIDLAND			
Date Compliance History Prepared:	December 01, 2010			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	December 01, 2005 to December 01, 2010			

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Miriam Hall Phone: (512) 239 - 1044

### Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership/operator of the site during the compliance period? No
3. If Yes, who is the current owner/operator? N/A
4. If Yes, who was/were the prior owner(s)/operator(s)? N/A
5. When did the change(s) in owner or operator occur? N/A
6. Rating Date: 9/1/2010 Repeat Violator: NO

### Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgments, and consent decrees of the State of Texas and the federal government.  
N/A
- B. Any criminal convictions of the state of Texas and the federal government.  
N/A
- C. Chronic excessive emissions events.  
N/A
- D. The approval dates of investigations. (CCEDS Inv. Track. No.)
 

1	07/14/2010	(841374)
2	09/24/2010	(865184)
3	10/15/2010	(870489)
4	11/18/2010	(877808)
- E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)  
N/A
- F. Environmental audits.
 

Notice of Intent Date:	07/09/2009	(767099)
Disclosure Date:	12/01/2009	
Viol. Classification:	Moderate	
Citation:	30 TAC Chapter 106, SubChapter O 106.352	
	30 TAC Chapter 106, SubChapter A 106.4	
Description:	Failure to register for Permits by Rule (PBR).	
- G. Type of environmental management systems (EMSs).  
N/A
- H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
DEVON ENERGY PRODUCTION  
COMPANY, L.P.  
RN105780613, RN105780712,  
RN105780746, AND  
RN105780837

§        BEFORE THE  
§  
§  
§        TEXAS COMMISSION ON  
§  
§  
§        ENVIRONMENTAL QUALITY

## AGREED ORDER DOCKET NO. 2010-1830-AIR-E

### I. JURISDICTION AND STIPULATIONS

At its \_\_\_\_\_ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Devon Energy Production Company, L.P. ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates tank batteries (the "Tank Batteries") at the following locations:
  - a. Off Cattle Drive, approximately 0.4 mile north of State Loop 338, south of Odessa, Ector County, Texas (the "Floyd Tank Battery");
  - b. On a private road, approximately two miles east of the intersection of State Highway 385 and State Loop 338, and 0.3 mile south of State Loop 338, south of Odessa, Ector County, Texas (the "Aunt Bee Tank Battery");
  - c. On a private road, approximately 1,600 feet south of State Highway 338 and 1,000 feet west of South Holloman Avenue, south of Odessa, Ector County, Texas (the "Helen Crump Tank Battery"); and

- d. Adjacent to the west side of Crane Avenue, approximately 0.7 mile south of Interstate 20, south of Odessa, Ector County (the "Thelma Lou-Otis Tank Battery").
2. The Tank Batteries consist of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about October 20, 2010 and November 2, 2010.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Seventy-Two Thousand Seven Hundred Seventy-Seven Dollars (\$72,777) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Fifty-Eight Thousand Two Hundred Twenty-Three Dollars (\$58,223) of the administrative penalty and Fourteen Thousand Five Hundred Fifty-Four Dollars (\$14,554) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.
7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Floyd Tank Battery:
  - a. On September 24, 2010, installed a rental auto-ignite flare;
  - b. On September 25, 2010, repaired the line that was leaking on September 24, 2010 and modified procedures to open up wells in a more controlled fashion to prevent over pressuring and rupturing of poly lines from occurring;
  - c. On October 12, 2010, installed a high pressure vapor recovery unit ("VRU");
  - d. On November 17, 2010, submitted an application for a standard permit;



- e. On November 23, 2010, installed a lease accounting custody transit ("LACT") metering system to replace tanker truck loading of oil with pipeline oil sales;
  - f. On December 17, 2010, installed a permanent auto-ignite flare;
  - g. On January 5, 2011, installed sales gas compression to allow separators to operate at a consistently low pressure with the gas being compressed into the sale line; and
  - h. On January 7, 2011, obtained Standard Permit Registration No. 94078.
10. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Aunt Bee Tank Battery:
- a. On September 14, 2010, installed a rental auto-ignite flare;
  - b. On November 5, 2010, installed a high pressure VRU;
  - c. On November 23, 2010, installed a LACT metering system;
  - d. On November 29, 2010, submitted an application for a standard permit;
  - e. On December 14, 2010, installed a permanent auto-ignite flare;
  - f. On January 7, 2011, obtained Standard Permit Registration No. 94174; and
  - g. On January 11, 2011, installed sales gas compression.
11. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Helen Crump Tank Battery:
- a. On October 13, 2010, installed a rental auto-ignite flare;
  - b. On November 12, 2010, installed a high pressure VRU;
  - c. On November 29, 2010, submitted an application for a standard permit;
  - d. On December 2, 2010, installed sales gas compression;
  - e. On December 17, 2010, installed a permanent auto-ignite flare;
  - f. On January 10, 2011, installed a LACT metering system; and
  - g. On January 13, 2011, obtained Standard Permit Registration No. 94179.
12. The Executive Director recognizes that on October 8, 2010, the Respondent replaced the leaking valve at the Thelma Lou-Otis Tank Battery.
13. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement

proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.

14. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
15. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

## II. ALLEGATIONS

As owner and operator of the Tank Batteries, the Respondent is alleged to have:

1. Failed to obtain permit authorization for the Floyd Tank Battery, in violation of 30 TEX. ADMIN. CODE § 116.110(a) and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b), as documented during investigations conducted on September 16 through October 7, 2010. Specifically, the Respondent exceeded the annual emission rate of 22.8 tons per year ("tpy") of volatile organic compounds ("VOC") emissions certified and registered under PBR Registration No. 91767, issued on February 24, 2010, by 43.3 tons of VOC; therefore, the Floyd Tank Battery cannot satisfy the conditions of the PBR for oil and gas production facilities.
2. Failed to submit an abbreviated application for a federal operating permit when the potential to emit ("PTE") exceeded 100 tpy of VOC at the Floyd Tank Battery, in violation of 30 TEX. ADMIN. CODE §§ 122.121 and 122.130(b)(1) and TEX. HEALTH & SAFETY CODE §§ 382.054 and 382.085(b), as documented during investigations conducted on September 16 through October 7, 2010 and October 8 through 19, 2010. Specifically, in the PBR registration, the natural gas throughput was certified/represented as 120,000 standard cubic feet per day ("scf/day"). Throughput data from September and October 2010, showed throughput as high as 970,000 scf/day with an average of 800,000 scf/day. Based on this data, the PTE is approximately 152 tpy of VOC.
3. Failed to prevent nuisance emissions on September 24, 2010 at the Floyd Tank Battery, in violation of 30 TEX. ADMIN. CODE § 101.4 and TEX. HEALTH & SAFETY CODE § 382.085(a) and (b), as documented during an investigation conducted on September 16 through October 7, 2010. Specifically, the Odessa Fire Department ("OFD") responded to a report of a natural gas leak at the Floyd Tank Battery, arriving at 6:36 a.m. on September 24, 2010. The OFD found a gas line venting, and the OFD's gas monitor showed a reading of 11% of the lower explosive limit.
4. Failed to prevent nuisance odor emissions on September 29, 2010, at the Floyd Tank Battery, in violation of 30 TEX. ADMIN. CODE § 101.4 and TEX. HEALTH & SAFETY CODE § 382.085(a) and (b), as documented during an investigation conducted on September 16 through October 7, 2010. Specifically, TCEQ investigators responding to an odor complaint, observed visible emissions from the Enardo valve and tank hatch from one of the four tanks at the Floyd Tank Battery and confirmed a nuisance odor off-site and downwind of the tanks.

5. Failed to obtain permit authorization for the Aunt Bee Tank Battery, in violation of 30 TEX. ADMIN. CODE § 116.110(a) and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b), as documented during an investigation conducted on September 13 through October 8, 2010. Specifically, the Respondent exceeded the throughput rate for natural gas and the annual emission rate of 22.45 tpy of VOC certified and registered under PBR Registration No. 92134, issued April 8, 2010, by 9.85 tpy of VOC; therefore, the Aunt Bee Tank Battery cannot satisfy the conditions of the PBR for oil and gas production facilities.
6. Failed to submit an abbreviated application for a federal operating permit when the PTE exceeded 100 tpy of VOC at the Aunt Bee Tank Battery, in violation of 30 TEX. ADMIN. CODE §§ 122.121 and 122.130(b)(1) and TEX. HEALTH & SAFETY CODE §§ 382.054 and 382.085(b), as documented during an investigation conducted on September 13 through October 8, 2010. Specifically, in the PBR registration, the natural gas throughput was certified/represented as 119,000 scf/day. Throughput data from September 2010 showed throughput at 650,000 scf/day. Based on this data, the PTE is approximately 122.63 tpy of VOC.
7. Failed to obtain permit authorization for the Helen Crump Tank Battery, in violation of 30 TEX. ADMIN. CODE § 116.110(a) and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b), as documented during an investigation conducted on October 14 through 27, 2010. Specifically, the Respondent exceeded the throughput rate for natural gas and the annual emission rate of 21.48 tpy of VOC certified and registered under PBR Registration No. 93540, issued October 20, 2010, by 8.22 tons of VOC; therefore, the Helen Crump Tank Battery cannot satisfy the conditions of the PBR for oil and gas production facilities.
8. Failed to submit an abbreviated application for a federal operating permit when the PTE exceeded 100 tpy of VOC at the Helen Crump Tank Battery, in violation of 30 TEX. ADMIN. CODE §§ 122.121 and 122.130(b)(1) and TEX. HEALTH & SAFETY CODE §§ 382.054 and 382.085(b), as documented during an investigation conducted on October 14 through 27, 2010. Specifically, in the PBR registration, the natural gas throughput was certified/represented as 122,000 scf/day. Throughput data from September 2010 showed throughput at up to 736,000 scf/day. Based on this data, the PTE is approximately 123.2 tpy of VOC.
9. Failed to maintain all emission control equipment in good working order at the Thelma Lou-Otis Tank Battery, in violation of 30 TEX. ADMIN. CODE § 106.4(c) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on October 7, 2010. Specifically, on October 7, 2010, a Kimray diaphragm valve was found to be leaking by a TCEQ investigator.

### III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

#### IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Devon Energy Production Company, L.P., Docket No. 2010-1830-AIR-E" to:

Financial Administration Division, Revenues Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

2. It is further ordered that the Respondent shall undertake the following technical requirements:

- a. Within 30 days after the effective date of this Agreed Order, submit administratively complete permit applications, in accordance with 30 TEX. ADMIN.CODE § 116.110(a), to revise or amend the following standard permits to authorize vapor recovery vessels ("VRVs"), associated VRV sales compression, and auto-igniting flares to control storage tank VOC emissions and VRV sales gas compression emissions when the gas gathering company sales line pressures are excessive:

- i. Standard Permit Registration No. 94078 for the Floyd Tank Battery;
- ii. Standard Permit Registration No. 94174 for the Aunt Bee Tank Battery;  
and
- iii. Standard Permit Registration No. 94179 for the Helen Crump Tank Battery.

- b. Submit the permit applications required by Ordering Provision Nos. 2.a.i. through 2.a.iii to:

Air Permits Division, MC 162  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

- c. Respond completely and adequately, as determined by the Air Permits Division, to all letters requesting information concerning the following permit revisions/amendments within 30 days of the date of such letters, or by any other deadline specified in writing.

- d. Within 60 days of obtaining the permit revisions/amendments, install the VRVs and associated equipment at the following:
  - i. Floyd Tank Battery;
  - ii. Aunt Bee Tank Battery; and
  - iii. Helen Crump Tank Battery.
- e. Within 180 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision Nos. 2.a. and 2.d. at the following:
  - i. Floyd Tank Battery;
  - ii. Aunt Bee Tank Battery; and
  - iii. Helen Crump Tank Battery.
- f. The written certifications required by Ordering Provision No. 2.e. shall be as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with the Ordering Provision. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team  
Enforcement Division, MC 149A  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

with a copy to:

Air Section, Manager  
Midland Regional Office  
Texas Commission on Environmental Quality  
3300 North A Street, Building 4, Suite 107  
Midland, Texas 79705-5404

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Tank Batteries' operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

## SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

John Bradley  
\_\_\_\_\_  
For the Executive Director

7/31/2011  
\_\_\_\_\_  
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Don DeCarlo  
\_\_\_\_\_  
Signature

05/12/11  
\_\_\_\_\_  
Date

Don DeCarlo  
\_\_\_\_\_  
Name (Printed or typed)  
Authorized Representative of  
Devon Energy Production Company, L.P.

Senior Vice President - Western Division  
\_\_\_\_\_  
Title

**Instructions:** Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

